

Chapter XI

HOUSING PLAN

INTRODUCTION

Chapter VII of this report presented a description of the existing housing stock in Waukesha County in 1990 and an analysis of the extent to which that housing stock met the needs of area residents. Chapter VII indicated that, while there has been substantial growth in the existing housing stock within Waukesha County over the past several decades, there is nevertheless a shortage of affordable housing within the County. As a result of that shortage, a number of persons who are employed inside the County must live outside the County in order to find housing at a cost commensurate with their incomes. Moreover, certain households that currently reside within the County must occupy substandard or overcrowded housing; certain others must pay a disproportionate share of their income for adequate housing. The shortage of affordable housing in Waukesha County limits the availability of workers in the County, where continued economic growth is dependent upon continued growth in the resident labor force. Such a shortage also necessitates longer work trips for those unable to secure housing near their place of work, resulting in physical and economic hardship for certain households. The provision of a balanced housing stock, including an adequate supply of affordable housing, is thus an important consideration in the formulation of a development plan for Waukesha County.

The housing element of the County development plan, as presented in this chapter, focuses on the provision of affordable housing in the County, under the assumption that other housing will be provided through the normal operation of the housing market. The housing element is intended to serve as a guide to the provision of the additional affordable housing required to meet existing and probable future needs. The first part of this chapter presents a recommended allocation strategy that suggests affordable housing goals for the County, as well as for defined subareas of the County. The second part of this chapter indicates the measures which local

units of government and the County should take in order to facilitate the provision of the needed affordable housing units.

Although it is in general usage, the term "affordable housing" is subject to varying definitions. For purposes of this housing plan, affordable housing is defined as single-family, two-family, or multi-family housing built in accordance with the standards for minimum floor area established by the Waukesha County Development Plan Advisory Committee, as set forth in Chapter IX of this report: 250 square feet for efficiency units, 420 square feet for one-bedroom units, 700 square feet for two-bedroom units, 980 square feet for three-bedroom units, and 1,250 square feet for four-bedroom units. Such units should be accommodated on minimum-size lots ranging from 3,000 square feet per multi-family unit to 7,200 square feet for single- and two-family units. The term "affordable" also presumes an appropriate relationship between household income and the costs of constructing and occupying a housing unit. Pertinent information on production and occupancy costs, as well as income required to reside in such minimum-size housing units, was set forth in Chapter VII of this report. Housing units which exceed the aforementioned minimums may provide affordable housing if the provision of the units involves special efforts on the part of public and private interests to reduce the costs to the intended occupants through such efforts as land-cost write-downs, reduced down-payment requirements, or other financing mechanisms. These types of efforts are described in the second part of this chapter.

AFFORDABLE HOUSING ALLOCATION STRATEGY

The affordable housing allocation strategy is a key component of the housing element of the County development plan. This strategy indicates the number of affordable housing units that should be provided within Waukesha County and the recom-

mended geographic distribution of those units, by planning analysis area, within the County.¹

As a practical matter, an affordable housing allocation strategy must be developed for a specific time-frame, or planning period. Such a strategy should address housing shortages which existed at the beginning of the planning period and should further address incremental needs which may be expected to materialize during the planning period. A twenty-year planning period, from 1990 to the year 2010, was selected as a basis for the Waukesha County affordable housing allocation strategy. That time-frame was selected in order to allow sufficient time to remedy the sizable shortage of housing which already existed in the County in 1990. The initial year for the planning period, 1990, corresponds to the base year of the most recent available data on housing needs in the County, as documented in Chapter VII of this report.

Total Number of Affordable Housing Units Recommended to Be Provided

The goals for affordable housing set forth herein are based upon the findings of the analysis of housing needs in Waukesha County presented in Chapter VII. For convenience, a summary of those findings is presented again in Table 141.

As indicated in Table 141, the County housing plan, in response to the identified housing needs, proposes the following:

- The provision of 1,880 affordable housing units to eliminate substandard and overcrowded housing conditions that existed within the County in 1990;
- The provision of 6,460 affordable housing units for households with persons working in the County in 1990 who could not afford to live in the County, but might choose to reside in the County if they could afford to do so;
- The provision of 2,900 affordable housing units to meet the additional need attendant to anticipated employment growth in the County

between 1990 and 2010. This goal is based on an assumption of job growth in the County at a rate envisioned under the year 2010 stage of the recommended County land use plan.²

²Chapter X of this report indicated that, under the recommended land use element of the County development plan, total employment in the County may be expected to increase from 172,300 jobs in 1990 to 372,000 jobs under buildout conditions. The buildout employment level reflects complete development of the commercial, industrial, and institutional lands identified in the County land use plan. The buildout employment level is essentially an outgrowth of the local plans which were, by statutory mandate, incorporated into the County land use plan. As explained in Chapter X, the employment level attendant to County land use plan buildout conditions substantially exceeds even the most optimistic employment projection in the County for the year 2010.

In order to estimate the incremental affordable housing needed as a result of job growth in the County between 1990 and 2010, it was assumed that total employment in the County would increase at the rate envisioned under the year 2010 stage of the recommended County land use plan, as described in Chapter X of this report. Under the 2010 stage of the County land use plan, total County employment would increase by 76,500 jobs, or 44 percent, between 1990 and 2010. It may be expected that some of the incremental jobs would be held by nonresidents who would live in the Waukesha County if they could afford to do so, as is currently the case.

Chapter VII of this report indicated that in 1990 there were 6,460 nonresident households with workers who commuted to workplaces in Waukesha County but who would live in the County if they could afford to do so. The affected workers accounted for 3.7 percent of all jobs in the County in 1990. Applying this percentage to the projected increase in employment in the County between 1990 and 2010 envisioned under the 2010 stage of the County land use plan of 76,500 jobs yields an estimate of 2,900 additional nonresident households in a similar condition, that is, households with persons working in the County who cannot afford to live in the County. This figure was utilized in the allocation strategy as the estimate of the additional affordable housing required as a result of employment growth in the County between 1990 and 2010.

¹As indicated in Chapter X, planning analysis areas are comprised of individual civil divisions, or, more commonly, groups of contiguous civil divisions, which share certain common interests and which face certain common developmental problems and opportunities. The nine planning analysis areas which comprise the County are shown on Map 93.

Table 141

**HOUSING NEEDS AND AFFORDABLE
HOUSING UNITS RECOMMENDED TO BE
PROVIDED IN WAUKESHA COUNTY: 1990-2010**

Nature of the Housing Problem	Number of Households Affected	Number of Affordable Housing Units Recommended to be Provided: 1990 to 2010
Existing Problems: 1990		
Resident households that occupy substandard or overcrowded housing ^{a,b}	1,880	1,880
Nonresident households with workers who commute to work places in Waukesha County who would live within the County if they could afford to do so ^c	6,460	6,460
Resident households that are in economic need only ^d	13,040	0
Projected Additional Housing Problems: 1990-2010		
Nonresident households with workers who commute to work places in Waukesha County who would live within the County if they could afford to do so ^e	2,900	2,900

^aOvercrowded households are those with a ratio of more than one person per room. Substandard housing units are those lacking complete kitchen facilities, complete plumbing facilities, or both.

^bChapter VII of this report indicated that there were 1,208 overcrowded households; 347 housing units lacking complete plumbing facilities; and 501 housing units lacking complete kitchen facilities in the County in 1990. The total number of households affected by one or more of these conditions is estimated to be 1,880.

^cEstimated as one-half of the nonresident households with one or more persons age 16 and over working in Waukesha County in 1990, having a 1989 household income of less than \$27,500, as set forth in Chapter VII of this report.

^dAs reported in Chapter VII of this report, there were 13,470 households in the County with 1989 incomes less than \$27,500 that paid more than 30 percent of their household income for housing in 1990. Of these, an estimated 430 households occupied substandard or overcrowded housing. The balance of 13,040 households are considered to be in economic need only.

^eComputed on the basis of the estimated 1990 ratio between the total number of jobs in the County and the number of jobs held by nonresident workers who would choose to live in the County if they could afford to do so—applied to the projected increase in employment in the County under the 2010 stage of the recommended County land use plan.

Source: U. S. Bureau of the Census and SEWRPC.

The plan thus recommends the provision of a total of 11,240 affordable housing units in the County between 1990 and 2010. Of that overall goal, 1,880 housing units, or 17 percent, relate to, and are intended to eliminate, existing substandard and overcrowded housing conditions within the County. The balance of 9,360 units, or 83 percent of the overall goal, relate directly to the expanding job opportunities within the County. Specifically, 6,460

units relate to an existing 1990 shortage of affordable housing for persons who already work in the County but cannot afford to live in the County; 2,900 units relate to the additional need attendant to employment growth anticipated between 1990 and 2010.

The provision of 11,240 affordable housing units over a twenty-year period represents an annual average of about 562 units per year. To put this into perspective, it should be noted that the total housing stock in Waukesha County increased by about 45,200 housing units over the two previous decades, from 65,250 in 1970 to 110,450 in 1990, an average annual increase of 2,260 housing units.

The overall goal of 11,240 additional affordable housing units is directly related to an identifiable, physical shortage of affordable housing within the County. This shortage is evident in the existence of substandard and overcrowded conditions for certain County residents and in the outright lack of housing for certain nonresidents who work in the County. It should be recognized that the aforementioned goal does not address the problems of County residents characterized in Chapter VII as being in economic need. Such households occupy decent, safe, and sanitary housing but must pay more than 30 percent of their household income in order to do so. There was a total of 13,040 such households in the County in 1990 having 1989 incomes less than \$27,500 (see Table 141). The housing problem for these households is primarily economic in nature, insofar as they are adequately housed, but must pay a disproportionate share of their income for housing. Their problems could be resolved by economic measures which would reduce the gap between their housing costs and their ability to pay. Such purely economic housing programs are beyond the scope of the housing allocation strategy, which, as already noted, is concerned with remedying an identifiable physical housing shortage.

Recommended Distribution of Affordable Housing

The proposed geographic distribution by planning analysis area of the affordable housing recommended to be provided in the County between 1990 and 2010 is set forth in Table 142 and shown on Map 93.³ Consistent with the County land use and

³It should be noted that the planning analysis areas were referred to as "areas of work in Waukesha County" in Chapter VII of this report.

Table 142
AFFORDABLE HOUSING ALLOCATION STRATEGY FOR WAUKESHA COUNTY: 1990-2010

Number on Map 93	Planning Analysis Area Name	Initial Allocation of Affordable Housing Units (11,240 units)											Recommended Total Allocation (11,240 units)	
		Affordable Housing Required to Eliminate Substandard and Overcrowded Housing Conditions: 1990 (1,880 units)		Affordable Housing Required for Persons Who Worked In, but Could Not Afford to Live in the County: 1990 (6,460 units)		Affordable Housing Required as a Result of Anticipated Future Employment Growth: 1990-2010 (2,900 units)				Total Initial Allocation (11,240 units)				
		Number of Households In Substandard or Overcrowded Housing: 1990	Allocation	Number of Jobs: 1990	Percent of Total	Allocation	Incremental Jobs: 1990-2010 ^a	Percent of Total	Allocation	Housing Units	Percent of Total	Adjustment to Account for Past Provision of Affordable Housing (housing units) ^b		
1	Menomonee Falls-Lannon Area	190	190	24,700	14.3	920	7,200	9.4	270	1,380	12.3	-5	1,375	12.2
2	Brookfield-Elm Grove Area	170	170	45,300	26.3	1,700	11,800	15.4	450	2,320	20.6	275	2,595	23.1
3	New Berlin Area	130	130	19,400	11.3	730	6,700	8.8	250	1,110	9.9	155	1,265	11.3
4	Muskego Area	80	80	4,200	2.4	160	3,600	4.7	130	370	3.3	95	465	4.1
5	Sussex-Lisbon Area	40	40	5,300	3.1	200	4,400	5.8	170	410	3.6	-40	370	3.3
6	Waukesha Lake Country Area	270	270	17,100	9.9	640	14,500	19.0	550	1,460	13.0	-10	1,450	12.9
7	Waukesha-Pewaukee Area	810	810	49,100	28.5	1,840	22,500	29.4	860	3,510	31.2	-630	2,880	25.6
8	South-Central Waukesha County Area	160	160	5,700	3.3	210	4,700	6.1	180	550	4.9	130	680	6.1
9	Dousman-Eagle Area	30	30	1,500	0.9	60	1,100	1.4	40	130	1.2	30	160	1.4
--	Total Waukesha County	1,880	1,880	172,300	100.0	6,460	76,500	100.0	2,900	11,240	100.0	0	11,240	100.0

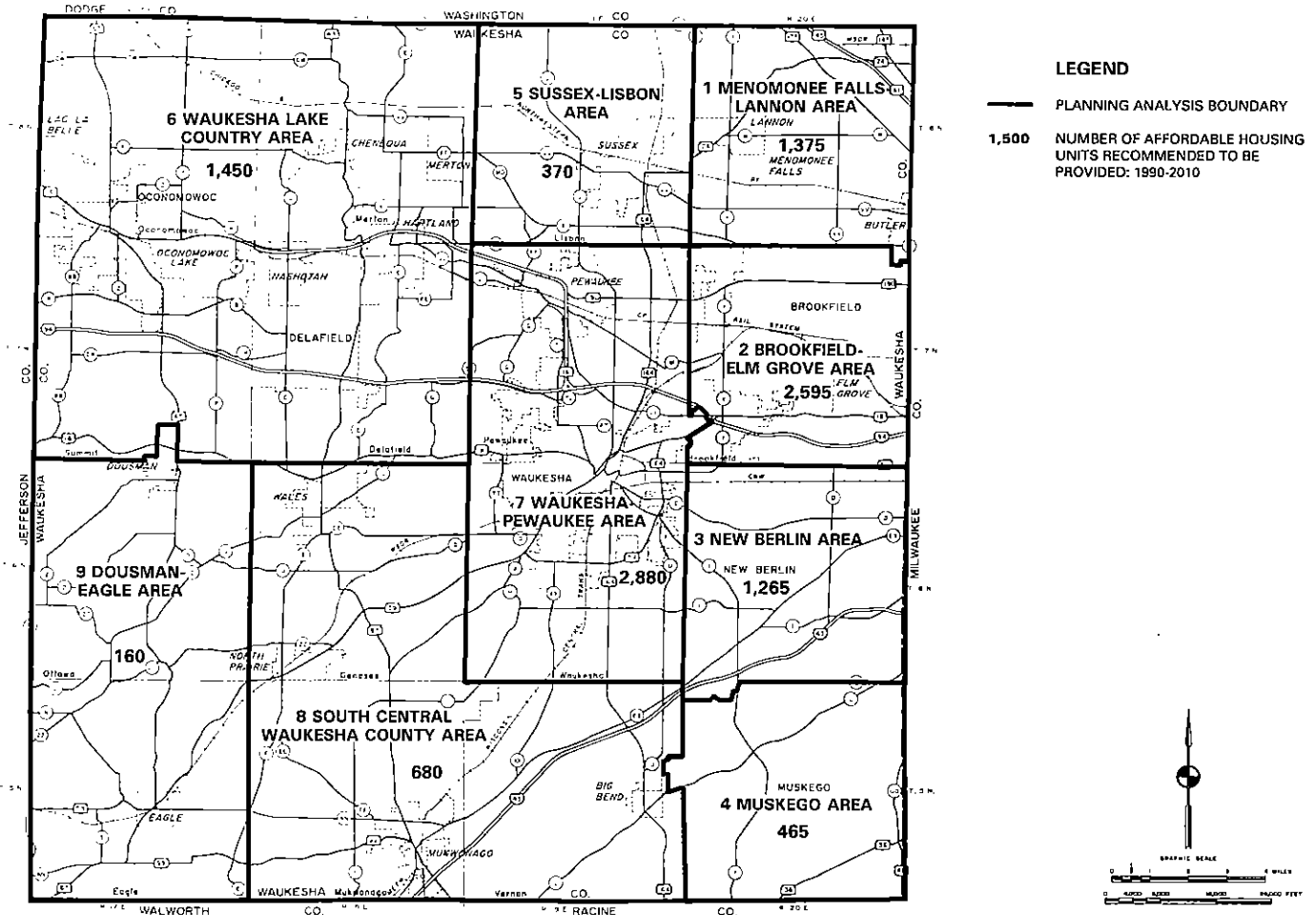
^aIncremental jobs as envisioned under the 2010 stage of the recommended County land use plan, as presented in Chapter X of this report.

^bSee Table 143.

Source: U. S. Bureau of the Census and SEWRPC.

Map 93

RECOMMENDED GOALS FOR THE PROVISION OF AFFORDABLE HOUSING IN WAUKESHA COUNTY



Source: SEWRPC.

housing objectives, principles, and standards set forth in Chapter IX of this report, the allocation strategy emphasizes the provision of affordable housing in proximity to employment concentrations within the County. The strategy also seeks to provide additional affordable housing where problems of substandard or overcrowded units have been identified. The strategy takes into account past efforts toward the provision of affordable housing in each planning analysis area as of 1990. The specific measures embodied in the proposed allocation strategy are as follows:

- Allocation of Affordable Housing Required to Eliminate Existing (1990) Substandard and Overcrowded Housing Conditions: As already noted, a total of 1,880 households occupied substandard or overcrowded housing in the

County in 1990. The plan allocates an equivalent number of housing units to planning analysis areas on the basis of the incidence of substandard and overcrowded conditions in each area. The number of affordable housing units allocated to each planning area under this measure is equal to the number of households occupying substandard or overcrowded dwellings within the areas concerned in 1990.

- Allocation of Affordable Housing Required for Persons Who Worked in, but Could Not Afford to Live in, the County, in 1990: As already noted, it is estimated that in 1990 there were 6,460 households with persons working in the County that could not afford to live in the County, but might choose to reside in the County if they could afford to do so. The plan

allocates an equivalent number of affordable housing units to planning analysis areas in the County on the basis of the number of jobs that existed within each area in 1990. Under this measure, each planning analysis area is assigned a share of the total allocation of 6,460 units equal to the area's proportion of the total number of jobs in the County in 1990.

- Allocation of Affordable Housing Required as a Result of Future Employment Growth: As already noted, it is estimated that an additional 2,900 affordable housing units will be required to meet the additional need attendant to employment growth in the County between 1990 and 2010. The plan allocates an equivalent number of affordable housing units to planning analysis areas in the County on the basis of the anticipated employment increase in each area. Under this measure, each planning analysis area was assigned a share of the total allocation of 2,900 units equal to the area's proportion of the total increase in employment in the County projected for the period 1990 to 2010 under the 2010 stage of the County land use plan. If, during the course of the planning period, it becomes apparent that actual employment growth in any planning analysis area is significantly departing from the envisioned level, the allocation of affordable housing for that area should be proportionally adjusted.
- Adjustment to Reflect Past Efforts in the Provision of Affordable Housing: An initial affordable housing goal was established for each planning analysis area on the basis of the three measures described above (see Table 142). The initial goal was then adjusted in recognition of past efforts in the provision of affordable housing in each area. The allocation was adjusted downward for areas where past efforts in the provision of affordable housing exceeded the County average, upward for areas where past efforts were below the County average.

This adjustment was made on the basis of the extent to which Federal rental housing subsidy programs had been used in each planning analysis area as of 1990.⁴ Considered under this measure were Federal subsidy programs under which tenants pay no more than 30 percent of their income for rent.

The specific programs considered are noted in Table 143. At the County level, about 1.7 percent of all households in the County received Federal rental assistance in 1990. Under this measure, a downward adjustment to the initial allocation was made for four planning analysis areas where the 1990 percentage of subsidized households was greater than 1.7 percent; an upward adjustment was made for five planning analysis areas where the percentage of subsidized households was less than 1.7 percent. For each area, the adjustment was calculated by multiplying the total number of households in the area in 1990 by the difference obtained by subtracting the area percentage of subsidized households from the Countywide percentage (see Table 143). It should be noted that the proportion of households in Waukesha County receiving government subsidies has not changed significantly over the past 25 years, ranging from 1 to 2 percent of total households in the County since the early 1970s.

The final recommended allocation of affordable housing for each planning analysis area is set forth in Table 142. For each area the goal indicates the total number of additional affordable housing units recommended to be provided between 1990 and 2010.

Affordable Housing Allocation Strategy: Concluding Remarks

The housing allocation strategy described above provides an overall goal for the provision of affordable housing for each of the nine planning analysis areas within the County. Within each area, affordable housing should be provided, to the extent practicable, in proximity to existing and planned

⁴The adjustment did not take into account households assisted under Federally sponsored homeownership subsidy programs. The major homeowner subsidy program, the U. S. Department of Housing and Urban Development (HUD) Section 235 program, provided mortgage interest subsidies to low- and moderate-income households seeking to purchase housing. Most of the interest subsidies provided under this program were in place by 1974. Information regarding the number and location of households still receiving assistance under this program as of 1990 were unavailable.

Table 143

**ADJUSTMENT OF INITIAL ALLOCATION OF AFFORDABLE HOUSING
TO RECOGNIZE THE PAST PROVISION OF FEDERAL RENTAL HOUSING SUBSIDIES**

Number on Map 93	Planning Analysis Area Name	Total Households: 1990	Households Receiving a Federal Rental Housing Subsidy: 1990 ^a		Difference Between County and Planning Area Percentage of Federally- Subsidized Households ^b	Adjustment to Initial Allocation ^c
			Number	Percent of Total Households		
1	Menomonee Falls-Lannon Area	11,104	200	1.80	-0.06	-5
2	Brookfield-Elm Grove Area	15,784	0	0.00	1.74	275
3	New Berlin Area	11,699	50	0.43	1.31	155
4	Muskego Area	5,568	0	0.00	1.74	95
5	Sussex-Lisbon Area	4,433	117	2.64	-0.90	-40
6	Waukesha Lake Country Area	17,491	313	1.79	-0.05	-10
7	Waukesha-Pewaukee Area	28,665	1,128	3.94	-2.20	-630
8	South-Central Waukesha County Area	8,903	28	0.31	1.43	130
9	Dousman-Eagle Area	2,343	12	0.51	1.23	30
--	Total Waukesha County	105,990	1,848	1.74	--	0

^aIncludes Federal rental housing assistance programs under which tenants pay no more than 30 percent of their income for housing, including the following programs: Public Housing, Section 221(d)3, Section 8 New Construction and Substantial Rehabilitation, Section 8 Existing Housing, Section 236, Housing Development Grants, Section 202, and Section 515 Interest Credit. All of these programs were administered by the U. S. Department of Housing and Urban Development, with the exception of the Section 515 Program, administered by the U. S. Department of Agriculture, Farmers Home Administration. Eighty-five households in unspecified locations, subsidized under the Section 8 Existing Housing Program administered by Waukesha County, are not included in the data presented.

^bCounty-wide percentage of Federally-subsidized households minus planning analysis area percentage of Federally-subsidized households.

^cDifference between County-wide and planning analysis area percentages of subsidized households, multiplied by the total households in each planning analysis area in 1990.

Source: U. S. Bureau of the Census and SEWRPC.

employment centers and on lands which are covered by soils suitable for such use; which are not subject to special hazards, such as flooding and erosion; which are served or may be readily served by essential urban services and facilities, including public sanitary sewer and water supply service, public transportation, and shopping facilities; and which have good access to the arterial street system. Moreover, affordable housing should, where practicable, be provided in conjunction with other residential development and integrated into the overall pattern of urban development in each planning area. Geographic concentrations of affordable housing should be avoided.

Although not specifically taken into account in the affordable housing allocation strategy, the availability of suitable developable land is an important consideration in the provision of affordable housing. In general, the availability of developable land should not significantly constrain the provision of affordable housing as recommended in the housing allocation strategy. In this respect it should be

noted that if housing were provided as single-family housing units on 7,200-square-foot lots, the resulting land requirement in each planning area, with the exception of the Brookfield-Elm Grove area, would represent 10 percent or less of the increase in residential land between 1990 and the buildout conditions envisioned under the recommended County land use plan.

Only in the relatively highly developed Brookfield-Elm Grove area, which has the second-largest affordable housing goal among the nine planning analysis areas, is the availability of suitable, developable land a significant potential constraint. The recommended County land use plan described in Chapter X identified a total of about 2,130 acres of land in that area which could be expected to be developed for residential use between 1990 and buildout. It is estimated that about 1,220 acres, or 57 percent of this total, were already developed or committed to development for residential use by 1996. If the entire goal of 2,595 affordable housing units for the Brookfield-Elm Grove area were met

through the provision of single-family housing on 7,200 square foot lots, the required land area, including streets, would approximate 545 acres. The land requirement could be lessened through the use of multi-family housing. For example, if such housing were provided in low-rise or garden apartments at a gross density of eight units per acre, the land area required would be reduced to about 325 acres.

Regardless of the type of housing provided, the land required in the Brookfield-Elm Grove area to accommodate the recommended affordable housing represents a substantial portion of the remaining planned residential land available for development in that area. While it is possible that some affordable housing could be provided in adjacent planning areas, close to the job centers in the Brookfield-Elm Grove area, owing to the relatively high levels of existing and planned employment within that area every effort should be made to meet the recommended affordable housing goal within the Brookfield-Elm Grove area itself. This could be accomplished through redevelopment of existing urban lands or by accommodating new affordable housing at substantially higher densities.

FACILITATING THE PROVISION OF AFFORDABLE HOUSING

The housing allocation set forth in the previous section accomplishes an important, but limited, function: it establishes affordable housing goals for the County and subareas of the County. The allocation by itself, however, does not result in the provision of any additional affordable housing. Indeed, the provision of affordable housing in accordance with the housing allocation strategy will require concerted efforts on the part of private and nonprofit entities working in collaboration with local units of government and the County. The most important required actions are described in this section.

It should be noted at the outset that the character of the government response to housing problems is changing. Historically, particularly during the 1950s, 1960s, and 1970s, the major public housing programs were sponsored and funded by the Federal government. The thrust of the earlier Federal programs provided for the construction of publicly owned housing projects. The thrust of the later Federal programs, including the HUD Section 235 homeownership program and the various Federal

rental assistance programs, provided subsidies to households in order to lessen the gap between housing cost and the household's ability to pay. The funding of the Federal housing subsidy programs decreased dramatically during the 1980s; such subsidy programs can no longer be relied upon as a mainstay of efforts to address housing problems, as they have in the past.

With the decline of Federal housing subsidy programs, some interests have looked to local government, in partnership with private and nonprofit entities, to assume a greater role in addressing housing problems. These interests have increasingly included, in addition to the traditional social service agencies which act as advocates for the poor, businesses and industrial interests seeking an increased labor pool. As a practical matter, however, local and county governments have been unable or unwilling to provide the "deep" subsidies formerly provided under Federal programs. Rather, the local and county efforts have been directed toward coordinating and channeling available housing resources to promote additional affordable housing, providing marginal reductions in housing costs where this is possible. In addition, local and county units of government could review their land use regulations, particularly their zoning regulations, to ensure that such regulations do not unnecessarily constrain the provision of affordable housing.

The rest of this chapter suggests appropriate roles for Waukesha County and its local units and agencies of government in facilitating the provision of affordable housing in Waukesha County. It outlines the steps necessary to ensure that local zoning regulations do not unnecessarily constrain the provision of affordable housing and recommends a continuation of proactive efforts to facilitate the provision of additional affordable housing.

Adjusting Local Zoning Ordinances

The analysis of residential zoning district regulations presented in Chapter VII of this report indicated that local zoning ordinances in effect in Waukesha County in 1993 generally do not allow housing as small as the minimum floor area standards for decent, safe, and sanitary housing established by the Waukesha County Development Plan Advisory Committee nor do they allow residential development on the minimum-size lots deemed appropriate by the Committee. This analysis involved a comparison of the minimum residential floor area requirements established in each zoning ordinance with the recommended